

Registration number: 05081105

# Protectagroup Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



## **Protectagroup Holdings Limited**

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## **Protectagroup Holdings Limited**

### **Company Information**

<b>Directors</b>	D C Ross D Cougill
<b>Company secretary</b>	D Clarke
<b>Registered office</b>	1 Minster Court Mincing Lane London EC3R 7AA
<b>Auditor</b>	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

## **Protectagroup Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2018**

The directors present their Strategic Report for the year ended 31 December 2018 for Protectagroup Holdings Limited ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the directors manage risks. The report outlines the developments and performance of the Company during the financial year, the position at the end of the year and discusses the main trends and factors that could affect the future. The Company is part of The Ardonagh Group Limited ("the Group").

#### **Principal activities and business review**

The principal activity of the Company is that of a non-trading holding company.

The results for the Company show turnover of £Nil (2017: £Nil) and profit before tax of £0.02m (2017: £Nil) for the year. At 31 December 2018 the Company had net assets of £1.8m (2017: £1.8m). The going concern note (part of accounting policies) on page 14 sets out the reasons why the directors believe that the preparation of the financial statements other than on a going concern basis is appropriate.

#### **Outlook**

The Company's subsidiary Protectagroup Limited is in the process of liquidation. It is the directors' intention to wind-up the Company once the liquidation process of its subsidiary has been completed.

#### **Key performance indicators**

The directors consider the key performance indicator for the Company is ensuring that the liabilities are settled fairly and expeditiously.

#### **Principal risks and uncertainties**

##### **Risk management**

The principal risk facing the Company is ensuring timely settlement of its liabilities. The directors believe that the Company has access to financial support to meet projected financial obligations over the coming year. This is based upon cash flow projections over a period of twelve months from the date of approval of the financial statements.

The principal risks and their mitigation are as follows:

##### *Regulatory and legal risk*

This is the risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non compliance with laws, regulations and applicable administrative provisions. This risk is mitigated by a proactive relationship with the Financial Conduct Authority, a dedicated compliance function, and a compliance monitoring programme. Furthermore, there is a control framework that has been rolled out and embedded within the culture throughout the Group to reduce the risk of errors and non compliance.

## Protectagroup Holdings Limited

### Strategic Report for the Year Ended 31 December 2018

#### *General Data Protection Regulation*

The Company's computer systems store information about its customers, some of which is sensitive personal data. Database privacy, identity theft and related computer and internet issues are matters of growing public concern and are subject to changes in rules and regulations. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or harm to our reputation. Although the Company has taken reasonable and appropriate security measures to prevent unauthorised access to information stored in our database and to ensure that our processing of personal data complies with the relevant data protection regulations, our technology may fail to adequately secure the private information we maintain in our databases and protect it from theft or inadvertent loss.

Approved by the board on 22-10-19..... and signed on its behalf by:

.....  
Director

DIANE COUGILL

## **Protectagroup Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

#### **Directors of the Company**

The directors, who held office during the year and up to the date of signing, were as follows:

M S Mugge (resigned 2 March 2018)

D C Ross

A Erotocritou (appointed 2 March 2018 and resigned 1 August 2019)

The following director was appointed after the year end:

D Coughill (appointed 1 August 2019)

#### **Dividends**

The directors do not recommend a final dividend payment to be made in respect of the financial year ended 31 December 2018 (2017: £Nil).

#### **Financial risk management objectives and policies**

Details of financial risk management objectives and policies can be found in the Strategic Report within the 'Risk management' section on page 2.

#### **Future developments**

Details of future developments can be found in the Strategic Report within the 'Outlook' section on page 2.

#### **Political donations**

The Company has not made any political donations during the year (2017: £Nil).

#### **Going concern**

The financial statements of the Company have been prepared on a non-going concern basis. It is the directors' intention to liquidate the Company once the liquidation process of its subsidiary has been completed.

## Protectagroup Holdings Limited

### Directors' Report for the Year Ended 31 December 2018

#### Directors' liabilities

All directors of the Company and fellow Group companies benefit from qualifying third party indemnity provisions, subject to the conditions set out in the Companies Act 2006, in place during the financial year and at the date of this report.

#### Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Appointment of auditor

During the year ended 31 December 2017, a formal tender process took place, led by The Ardonagh Group Limited Audit Committee. As a result of this tender process the Audit Committee recommended, and The Ardonagh Group Limited board approved, the proposed appointment of Deloitte LLP as external auditor for the financial year ended 31 December 2018. The auditor, Deloitte LLP, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Approved by the board on 22-10-19..... and signed on its behalf by:

.....  
Director  
DIANE COUGILL

## **Protectagroup Holdings Limited**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



**Protectagroup Holdings Limited**  
**Independent Auditor's Report to the Members of Protectagroup Holdings Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Protectagroup Holdings Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 13;

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter- Financial statements prepared other than on a going concern basis**

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

**Protectagroup Holdings Limited**  
**Independent Auditor's Report to the Members of Protectagroup Holdings Limited**

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**Protectagroup Holdings Limited**  
**Independent Auditor's Report to the Members of Protectagroup Holdings Limited**

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

**Matters on which we are required to report by exception**

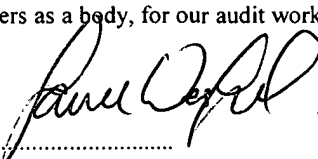
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
.....  
**Jamie Weisfeld (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
**Statutory Auditor**  
**London**  
**United Kingdom**

Date: 22 June 2019

## Protectagroup Holdings Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Turnover		-	-
Operating result		-	-
Finance income	5	21	-
Profit before tax		21	-
Net profit for the year		21	-

The above results were derived from discontinued operations.

The notes on pages 13 to 18 form an integral part of these financial statements.

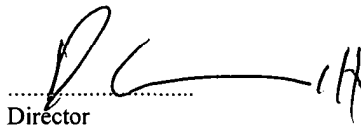
**Protectagroup Holdings Limited**

**(Registration number: 05081105)**

**Statement of Financial Position as at 31 December 2018**

	Note	2018 £ 000	2017 £ 000
<b>Assets</b>			
<b>Current assets</b>			
Investments in subsidiary undertakings	9	8,672	8,672
Trade and other receivables	10	2,128	2,128
		<u>10,800</u>	<u>10,800</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Called up share capital	11	500	500
Share premium reserve		1,628	1,628
Retained losses		(316)	(337)
		<u>1,812</u>	<u>1,791</u>
<b>Current liabilities</b>			
Trade and other payables	12	8,988	9,009
<b>Total equity and liabilities</b>		<u>10,800</u>	<u>10,800</u>

Approved by the board on 22-10-19 and signed on its behalf by:

  
 Director  
 DIANE COUGILL

# Protectagroup Holdings Limited

## Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Share premium £ 000	Retained losses £ 000	Total £ 000
At 1 January 2018	500	1,628	(337)	1,791
Net profit for the year	-	-	21	21
At 31 December 2018	<u>500</u>	<u>1,628</u>	<u>(316)</u>	<u>1,812</u>

	Share capital £ 000	Share premium £ 000	Retained losses £ 000	Total £ 000
At 1 January 2017	500	1,628	(337)	1,791
At 31 December 2017	<u>500</u>	<u>1,628</u>	<u>(337)</u>	<u>1,791</u>

The notes on pages 13 to 18 form an integral part of these financial statements.

## Protectagroup Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 1 Authorisation of financial statements

The Company is a private company limited by share capital incorporated and registered in England, United Kingdom. The Company's registered office is 1 Minster Court, Mincing Lane, London, EC3R 7AA. The principal activities of the Company are disclosed on page 2 within the 'Strategic Report'.

These financial statements for the year ended 31 December 2018 were authorised for issue by the board on 22-10-19 and the Statement of Financial Position was signed on the board's behalf by DIANE COXILL

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

IFRS 9 and IFRS 15 standards are applicable for financial reporting period started on 1 January 2018 or later. These new standards did not have impact on the Company.

These financial statements have been prepared on a non-going concern basis. The financial statements are presented in GBP sterling (£), which is also the Company's functional currency.

##### Exemption from preparing group accounts

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group financial statements.

##### Summary of disclosure exemptions

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has taken advantage of the following disclosure exemptions under FRS 101 where relevant:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64 (q)(ii), B66 and B67 of IFRS 3 Business Combinations which includes among other exemptions the requirement to include a comparative period reconciliation for goodwill;
- the requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;

## **Protectagroup Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **2 Accounting policies (continued)**

- the requirements of IFRS 7 Financial Instruments: Disclosures and of paragraphs 91-99 of IFRS 13 Fair Value Measurement apart from those which are relevant for the financial statements which are held at fair value not held as part of a trading portfolio;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to provide comparative period reconciliations in respect of outstanding shares, property, plant & equipment and intangible assets;
- the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- the requirements in paragraph 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;
- the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;
- the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures around the need to disclose information on key management personnel and details on related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis.

Equivalent disclosures are included in the Group's consolidated financial statements as required by FRS 101 where exemptions have been applied.

#### **Going Concern**

The financial statements of the Company have been prepared on a non-going concern basis. It is the directors' intention to liquidate the Company once the liquidation process of its subsidiary has been completed.

#### **Investments**

Investments in subsidiaries are held at cost less accumulated impairment losses.

#### **Financial assets**

Financial assets are initially measured at fair value plus directly attributable transaction costs. The Company's financial assets include trade and other receivables.

Trade and other receivables represent amounts due from related parties in the form of a subordinated loan and associated interest income. They are stated at amortised cost.

#### **Financial liabilities**

Financial liabilities are initially measured at fair value plus directly attributable transaction costs. The Company's financial liabilities are trade and other payables.

Trade and other payables represent amounts due to related parties. They are initially recognised at fair value and are subsequently measured at amortised cost.



## **Protectagroup Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **2 Accounting policies (continued)**

##### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **Taxation**

Current tax is recognised for the amount of tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant effect on the carrying amounts of assets are discussed below.

##### **Key sources of estimation uncertainty:**

##### **Impairment of investments**

Investment in subsidiary is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may exceed its recoverable amount. An impairment test is performed by comparing the investment's carrying amount with its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment test requires the application of significant judgement because it relies on key assumptions, including revenue and an EBITDA multiple.

#### **4 Operating result**

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, The Ardonagh Group Limited.

## Protectagroup Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 5 Finance income

	2018 £ 000	2017 £ 000
<b>Finance income</b>		
Other finance income	<u>21</u>	<u>-</u>

Other finance income includes dividend income of £21,058 from Protectagroup Limited ahead of its liquidation.

#### 6 Staff costs

The Company had no employees in the current year or the preceding year. All administration is performed by employees of the Group and no recharge is made to the Company.

#### 7 Directors' remuneration

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors are directors of The Ardonagh Group Limited and/or other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of The Ardonagh Group Limited.

#### 8 Income tax

Tax charged/(credited) in the statement of comprehensive income

	2018 £ 000	2017 £ 000
<b>Current taxation</b>		
UK corporation tax	-	-

	2018 £000	2017 £000
Profit before tax	<u>21</u>	<u>-</u>
Corporation tax at standard rate	<u>4</u>	<u>-</u>
Dividends from Group company	<u>(4)</u>	<u>-</u>
UK corporation tax	<u>-</u>	<u>-</u>

## Protectagroup Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 8 Income tax (continued)

A reduction in the UK corporation tax rate to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This reduction, from the existing rate of 19%, will reduce the Company's future current tax charge/credit accordingly.

#### 9 Investments in subsidiary undertakings

	£ 000
<b>Cost or valuation</b>	
At 1 January 2018	<u>8,672</u>
At 31 December 2018	<u>8,672</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>8,672</u>
At 31 December 2017	<u>8,672</u>

There was no provision for impairment for the current year.

Details of the subsidiary as at 31 December 2018 are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting rights held	
			2018	2017
Protectagroup Limited	Holding company	England	100%	100%

The registered office address of the above subsidiary is 15 Canada Square, London, E14 5GL. The subsidiary is in liquidation.

#### 10 Trade and other receivables

	2018 £ 000	2017 £ 000
<b>Current trade and other receivables</b>		
Receivables from other Group companies	<u>2,128</u>	<u>2,128</u>

The balances receivable from other Group companies are unsecured, interest free and repayable on demand.

## Protectagroup Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 11 Share capital

##### Allotted, called up and fully paid shares

	2018		2017	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

#### 12 Trade and other payables

	2018	2017
	£ 000	£ 000
Current trade and other payables		
Amounts due to other Group companies	<u>8,988</u>	<u>9,009</u>

The balances due to other Group companies are unsecured, interest free and repayable on demand.

#### 13 Parent and ultimate parent undertaking

The Group's majority shareholder is HPS Investment Partners LLC. At 31 December 2018, the ultimate parent company was The Ardonagh Group Limited (incorporated in Jersey, registered office address 44 Esplanade, St Helier, Jersey JE4 9WG). The Ardonagh Group Limited is the largest group in which the results are consolidated. The parent company of the smallest group, which includes the Company and for which group financial statements are prepared, is Ardonagh Midco 3 plc, a company incorporated in Great Britain. Financial statements for The Ardonagh Group Limited and Ardonagh Midco 3 plc are available on request from:

1 Minster Court  
Mincing Lane  
London  
EC3R 7AA